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AHS 2013-14 budget, transformation underway

Hiring freeze, executive compensation and administrative cost-cutting

LETHBRIDGE – Alberta Health Services (AHS) Board Chair Stephen Lockwood and President and CEO Dr. Chris Eagle announced the following at Thursday's Board meeting in Lethbridge. The full text of their remarks is attached. **Note: These are initial administrative cost-savings only.** A full budget will be approved by the Board at a special meeting in early April.

Effective today:

- We will reduce administrative expenses by at least 10 per cent. According to the Canadian Institute for Health Information, AHS' health care administration costs are currently the lowest in Canada at 3.3 per cent of total expenses. We will reduce administration expenses by \$35 million over the next three years;
- We are eliminating pay-at-risk for all executives effective April 1, 2013, and commencing a review of executive salaries;
- We are also reviewing the size, roles, functions and titles of our senior leadership team, and when the review is complete in 2013, we will have the leanest and most effective management team possible;
- We are reviewing the roles, functions, titles, and structure of our senior leadership team with the goal of producing the leanest and most effective management team possible;
- We have implemented a three-year compensation freeze for all management and out-of-scope employees and physician leaders. That's approximately 10,000 of our 100,000 staff;
- We have implemented a hiring freeze on all administrative positions that are not mission-critical. Any hiring will be tightly focused on clinical care;
- We expect further measures resulting from the Action Plan in response to the recent Auditor General report on AHS expense policy;
- And, as previously discussed, we will achieve these savings in part by freezing all travel except in the most exceptional, care-related and business circumstances, and by cutting expenses incurred for the use of consultants and external facilitators.

Alberta Health Services is the provincial health authority responsible for planning and delivering health supports and services for more than 3.8 million adults and children living in Alberta. Its mission is to provide a patient-focused, quality health system that is accessible and sustainable for all Albertans.

